

§ 344.4

31 CFR Ch. II (7–1–04 Edition)

any other Certificate Policy that Treasury may issue, to the same extent as if we had received a written instruction bearing the signature of your duly authorized officer;

(5) Submit electronic messages exclusively through SLGSafeSM unless you:

(i) Are unable to do so; and

(ii) Notify us before submitting transactions by other means; and

(6) Agree to submit transactions by other means if we notify you that problems with hardware, software or data transmission delays, or any other reason, prevent our sending or receiving electronic messages.

(i) *If I am an Internet customer, how do I submit transactions using SLGSafeSM to DSI?* Internet customers must submit transactions to DSI through the SLGSafeSM Internet site at Public

Debt's website. If your electronic message is accepted, we will send automatically an electronic confirmation to you. You can use the confirmation notice to verify the date and time that Public Debt's Application server received the electronic message that you submitted.

Subpart B—Time Deposit Securities

§ 344.4 What are Time Deposit securities?

Time deposit securities are issued as certificates of indebtedness, notes and bonds.

(a) *What are the terms of maturity?* The issuer must fix the maturity periods for time deposit securities, which are issued as follows:

Time deposit securities	Maturity range	
	From	Up to and including
Certificates of Indebtedness that bear no interest	15 days	1 year.
Certificates of Indebtedness	30 days	1 year.
Notes	1 year and 1 day	10 years.
Bonds	10 years and 1 day	40 years; provided that for any subscription for a bond exceeding 30 years, the maximum available rate must be the rate on a 30-year bond.

(b) *How are SLGS rates determined?* For each security, the issuer shall designate an interest rate that does not exceed the maximum interest rate shown in the daily SLGS rate table as defined in § 344.1.

(1) *When is the SLGS rate table released?* We release the SLGS rate table to the public by 10:00 a.m., Eastern time, each business day. If we find that due to circumstances beyond our control the SLGS rate table is not available at that time on any given business day, the SLGS rate table for the preceding business day applies.

(2) *How do I lock in a SLGS rate?* The applicable daily SLGS rate table for a non-Internet subscription is the one in effect on the date the initial subscription is faxed, postmarked, or carrier date stamped. The applicable daily SLGS rate table for a SLGSafeSM Internet initial subscription is the one

in effect on the date shown on Public Debt's Application server.

(3) *Where can I find the SLGS rate table?* The SLGS rate table can be obtained:

(i) On the Internet at Public Debt's website; or

(ii) By calling DSI at (304) 480-7752.

(c) *How are interest computation and payment dates determined?* Interest on a certificate of indebtedness is computed on an annual basis and is paid at maturity with the principal. Interest on a note or bond is paid semi-annually. The issuer specifies the first interest payment date, which must be at least thirty days and less than or equal to one year, from the date of issue. The final interest payment date must coincide with the maturity date of the security. Interest for other than a full interest period is computed on the basis of a 365-day or 366-day year (for certificates of indebtedness) and on the basis of the

exact number of days in the half-year (for notes and bonds). See the Appendix to subpart E of part 306 of this subchapter for rules regarding computation of interest.

§ 344.5 How do I subscribe for Time Deposit securities?

(a) *Where do I submit transactions?* All subscriptions for purchase, cancellation requests, changes to initial or final subscriptions and notices of redemption must be sent to DSI.

(b) *What requirements apply to initial subscriptions?*

(1) *When is my initial subscription or cancellation due in DSI?* The subscriber must fix the issue date of each security in the initial subscription. The issue date must be a business day. The issue date cannot be more than sixty days after the date DSI receives the initial subscription. To determine when you must send an initial subscription or cancellation request, follow this table:

If:	Then:
(i) The subscription is for:	DSI must receive an initial subscription (or you can cancel it without penalty):
(A) \$10 million or less, or.	at least 5 days before the issue date of the subscription.
(B) Over \$10 million.	at least 7 days before the issue date of the subscription.
(ii) The 5th or 7th day before the issue date is a non-business day.	DSI must receive the cancellation request on the preceding business day.
(iii) DSI receives an initial subscription more than 60 days before the issue date.	DSI will not accept an initial subscription.

Example to paragraph (b)(1): If SLGS securities totaling \$10 million or less will be issued on March 16th, DSI must receive the initial subscription no later than March 11th. If SLGS securities totaling more than \$10 million will be issued on March 16th, DSI must receive the initial subscription no later than March 9th.

(2) *What form is used to submit an initial subscription?* An initial subscription must be submitted on an electronic or paper Treasury form, PD F 4144, "Subscription for Purchase and Issue of U.S. Treasury Securities State and Local Government Series Time Deposit."

(3) *Can I submit a letter instead of an initial subscription form?* Yes. If you do not have an initial subscription form under paragraph (b)(2) of this section, then submit a letter to DSI that contains the following information:

- (i) The total principal amount;
- (ii) The issue date;
- (iii) The name and the Taxpayer Identification Number of issuer eligible to purchase SLGS securities;
- (iv) The date; and
- (v) The signature and title of an official authorized to purchase SLGS securities.

(4) *How do I change an initial subscription?* You can change an initial subscription on or before the issue date, but not later than 3:00 p.m., Eastern time, on the issue date. Changes to an initial subscription are acceptable with the following exceptions:

(i) You cannot change the issue date to require issuance earlier than the issue date originally specified. The issue date can be changed up to seven days after the original issue date. If you make such a change, you should notify DSI as soon as possible, but no later than 3:00 p.m., Eastern time, one business day before the original issue date;

(ii) You may change the aggregate principal amount specified in the initial subscription up to \$10 million or ten percent, whichever is greater;

(iii) You can change an interest rate provided it does not exceed the maximum interest rate in the SLGS rate table that was in effect for a security of comparable maturity on the date the initial subscription was submitted (unless the issuer obtains a higher rate by canceling and resubscribing in compliance with this section); and